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South Africa, Republic of

Fresh Deciduous Fruit

Annual

2007

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Report Highlights:

South Africa's CY2007 updated deciduous fruit production figures are expected to reach 1.35 million MT, a 5% increase of the actual 2005/6 level because of the improvement in climatic conditions and the natural lifecycle of the trees. Total exports for 2006/7 are expected to increase by about 5% because of increased production for export. Fresh pear and apple exports may increase by about 18.4% and 4.5% respectively, while table grapes may remain the same as last year because of reduced production.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

South Africa's CY 2007 deciduous fruit production is expected to reach 1.35 million MT, a 5% increase because of the improvement in climatic conditions and the natural lifecycle of the trees. Fresh pear and apple production may increase by about 4.7% and 12% respectively, while table grapes may decrease by 5.3%.

Total exports for 2006/7 are expected to increase by about 5% because of increased production for export. Fresh pear and apple exports are expected to increase by about 18.4% and 4.5% respectively, while table grapes may remain the same as last year because of reduced production.

Production

The 2006/7 deciduous fruit season started well with a more favorable exchange rate, especially on farm-gate level. The relatively good climatic conditions of last year are expected to carry-over this year.

Deciduous Fruit Planted Area

According to Dr. Daan Louw of the Optimal Agricultural Business Systems (OABS), the total deciduous fruit area reached about 74,000 Ha in 2005/6. Of the total area, 30% (22,200 Ha) were planted to the table grapes, 28% (20,720 Ha) to apples, 16% (11,840 Ha) to pears, 12% (8,880 Ha) to peaches, 6% (4,440 Ha) to apricots, 6% (4,440 Ha) to plums, and 2% (1,480 Ha) to nectarines.

Background

The deciduous fruit and grape industry in the Western Cape generates about \$700 million in foreign exchange annually, accounting for about 40% of the total South African foreign exchange earnings from agricultural products. Total annual production reaches about 1.5 million MT for grapes, 0.55 million MT for apples, 0.15 million MT for peaches, and 0.2 million MT for pears.

Fruit South Africa is refining its role as an umbrella organization representing the subtropical, deciduous, and citrus fruit industries. The deciduous fruit industry also dismantled to form the pome (apples & pears), stonefruit and tablegrape organizations.

The Deciduous Fruit Producer Trust (DFPT) continues to handle research, plant improvement, plant certification, and the technical aspects of market access for the South African table grapes industry (SATI). SATI is the consolidated industry organization responsible for organizing all other functions of the table grapes industry.

For more information, please refer to our annual report: [SF6050](#)

Production Subcategory

South Africa, Republic of Apples, Fresh (HA)(1000 TREES)(MT)										
	2004	Revised		2005	Estimate		2006	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007	MM/YYYY
Area Planted	22000	22000	20774	21500	21500	20720	0	21500	20900	(HA)
Area Harvested	18400	18400	17450	18000	18000	17400	0	18380	17700	(HA)
Bearing Trees	16540	16540	16230	16180	16180	16180	0	17080	16500	(1000 TREES)
Non-Bearing Trees	3880	3880	3090	3800	3800	3090	0	2900	2900	(1000 TREES)
Total Trees	20420	20420	19320	19980	19980	19270	0	19980	19400	(1000 TREES)
Commercial Production	658940	658940	658940	720000	720000	588468	0	735000	660000	(MT)
Non-Comm. Production	0	0	0	0	0	0	0	0	0	(MT)
Production	658940	658940	658940	720000	720000	588468	0	735000	660000	(MT)
Imports	0	0	0	0	0	50	0	0	50	(MT)
Total Supply	658940	658940	658940	720000	720000	588518	0	735000	660050	(MT)
Fresh Dom. Consumption	166020	166020	178918	180000	180000	154725	0	185000	180000	(MT)
Exports, Fresh	262745	262745	264728	295000	295000	268068	0	295000	280000	(MT)
For Processing	230175	230175	215294	245000	245000	165725	0	255000	200050	(MT)
Withdrawal From Market	0	0	0	0	0	0	0	0	0	(MT)
Total Distribution	658940	658940	658940	720000	720000	588518	0	735000	660050	(MT)

South Africa, Republic of Apple Juice, Concentrated (MT)										
	2004	Revised		2005	Estimate		2006	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007	MM/YYYY
Deliv. To Processors	230175	230175	215294	245000	245000	165725	295000	295000	200050	(MT)
Beginning Stocks	0	0	0	0	0	0	0	0	0	(MT)
Production	32000	32000	32000	40000	40000	26850	40000	40000	32000	(MT)
Imports	12991	12991	12970	10000	10000	10182	10000	10000	10000	(MT)
Total Supply	44991	44991	44970	50000	50000	37032	50000	50000	42000	(MT)
Exports	10208	10208	10248	14000	14000	14905	15000	15000	15000	(MT)
Domestic Consumption	34783	34783	34722	36000	36000	22127	35000	35000	27000	(MT)
Ending Stocks	0	0	0	0	0	0	0	0	0	(MT)
Total Distribution	44991	44991	44970	50000	50000	37032	50000	50000	42000	(MT)

South Africa, Republic of Pears, Fresh (HA)(1000 TREES)(MT)										
	2004	Revised		2005	Estimate		2006	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007	MM/YYYY
Area Planted	14250	14250	11548	14500	14500	11840	14500	14500	12000	(HA)
Area Harvested	9996	9996	8080	10150	10150	8300	10300	10300	8500	(HA)
Bearing Trees	10420	10420	8860	10580	10580	9100	10730	10730	9300	(1000 TREES)
Non-Bearing Trees	5130	5130	3720	5220	5220	3800	5070	5070	3800	(1000 TREES)
Total Trees	15550	15550	12580	15800	15800	12900	15800	15800	13100	(1000 TREES)
Commercial Production	303380	303380	303380	310140	310140	286617	325000	325000	300000	(MT)
Non-Comm. Production	0	0	0	0	0	0	0	0	0	(MT)
Production	303380	303380	303380	310140	310140	286617	325000	325000	300000	(MT)
Imports	0	0	0	1	1	15	1	1	10	(MT)
Total Supply	303380	303380	303380	310141	310141	286632	325001	325001	300010	(MT)
Fresh Dom. Consumption	51610	51610	49303	53000	53000	49461	55000	55000	50000	(MT)
Exports, Fresh	143189	143189	143209	160000	160000	125000	170000	170000	148000	(MT)
For Processing	107070	107070	108868	95000	95000	110000	95000	95000	100000	(MT)
Withdrawal From Market	1511	1511	2000	2141	2141	2171	5001	5001	2010	(MT)
Total Distribution	303380	303380	303380	310141	310141	286632	325001	325001	300010	(MT)

South Africa, Republic of Grapes, Table, Fresh (HA)(MT)										
	2004	Revised		2005	Estimate		2006	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007	MM/YYYY
Area Planted	19250	19250	19250	19000	19000	22200	19200	19200	22000	(HA)
Area Harvested	12500	12500	12500	12000	12000	13700	12500	12500	13000	(HA)
Commercial Production	357301	357301	378180	330000	330000	414078	330000	330000	392000	(MT)
Non-Comm. Production	0	0	0	0	0	0	0	0	0	(MT)
Production	357301	357301	378180	330000	330000	414078	330000	330000	392000	(MT)
Imports	569	569	569	923	923	923	1000	1000	1385	(MT)
Total Supply	357870	357870	378749	330923	330923	415458	331000	331000	393385	(MT)
Fresh Dom. Consumption	30000	30000	26920	25000	25000	29189	26000	26000	28000	(MT)
Exports, Fresh	264941	264941	230165	251926	251926	230896	255000	255000	230000	(MT)
For Processing	62929	62929	121664	53997	53997	155373	50000	50000	135385	(MT)
Withdrawal From Market	0	0	0	0	0	0	0	0	0	(MT)
Total Distribution	357870	357870	378749	330923	330923	415458	331000	331000	393385	(MT)

Consumption

South Africa's MY 2006/7 local consumption of apples and pears is expected to increase by 16.3% and 1% respectively because of increased total production. However, the domestic market demand is generally lackluster mainly because of a lack of unified marketing. On the otherhand, consumption for grapes is expected decrease by 4.1%.

Trade

EXPORTS

Apples and Pears

South Africa's MY 2006/07 exports of apples are expected to reach about 280,000 MT, a 4.5% increase from the previous year. The major varieties exported are Granny Smith, Golden Delicious, Royal Gala, and Cripp's Pink/Pink Lady.

Total pear exports are expected to increase 18.4% from last year to reach 148,000 MT in 2007. The most exported fruit varieties are Packham's Triumph, Forelle, and William's Bon Chretien/Bartlett.

Exports of pear were about 13% lower in 2005/6 while prices improved compared to the previous year. Only apple and pear producers with availability of controlled atmospheric cold storages benefited from an extended season.

Apple Juice

South Africa's Concentrated Apple Juice (CAJ) exports reached 14,905 MT in 2006, a massive 45% increase compared to the same period last year.

NB: CAJ referred to in this report is HTS 200979.

Tablegrapes

In 2006/7, producers expect to export the same volume of table grapes as last year, amounting to 230,000 MT. This is a result of lower total production, and last year's export losses resulting from the global glut of fresh fruit.

The 2006/7 started a week earlier than last year, and is therefore expected to end a week earlier, if the climatic conditions remain the same. With only about 7-8 weeks remaining, more than 90% of the tablegrapes have been exported.

IMPORTS

South Africa is not a major importer of fresh deciduous products. However, we expect more imports of apples and pears from China in the near future, resulting from the recently signed protocols between the two countries. Currently, tablegrapes are the only deciduous fruit agreed to under the South Africa-China protocol. For more information about this issue, please read our GAIN report: SF7005.

Apples and Pears

South Africa imported 15 MT of pears in 2006, and is expected to import 10 MT in 2007. South Africa received pear exports only from South Korea in both 2004 and 2006. No imports were received in 2005.

South Africa's 2006/7's import volume for apples is expected to remain the same as last year at 50 MT.

Apple Juice

CAJ imports reached 10,182 MT in 2006, a 21.5% decrease compared to 2005, while imports from the U.S. tripled. The major supplier of apple juice concentrate to South Africa was China at a market share of 77%, followed by Argentina (at market share of 10%) and Hong Kong (at market share of 8%).

Tablegrapes

South Africa's 2006/7 imports for tablegrapes are expected to be the same as last year because of a lower local production. In 2006, imports doubled from 2005, to reach 1,385 MT. South Africa's major imports are from Spain, Egypt, and Israel, at market shares of 72%, 21%, and 7% respectively.

Trade Subcategory

EXPORT TABLES:

Deciduous: Special Export Programs in 2005/6

Fruit type & destinations	Exports (MT)	Exchange rate(US\$/Rand)	Value (US\$)
U.S. table grapes (organic)	480	6.20	415,547
U.S. Apples	0	6.48	0
U.S. Pears	877	6.48	514,537
Total	1,357		930,084
Israel Table grapes	588	6.20	508,967
Taiwan apples	957	6.48	535,231
Grand Total	2,902		1,974,282

Source: DFPT, January, 2007

Total exports under the special bilateral programs declined further in 2005/6, mainly because of SPS requirements and increasing input costs against the fluctuating Rand.

APPLES

South Africa, Republic of Apples, Fresh			
Time Period	Jan-Dec	Units: MT	Jan-Dec
Exports for:	2005		2006
U.S.	0	U.S.	0
Others		Others	
U.K.	104542	U.K.	103988
Netherlands	24150	Malaysia	25914
Malaysia	20124	Netherlands	16176
Belgium	14557	Belgium	12831
France	8963	Benin	9054
U.A.Emirates	7370	U.A.Emirates	8723
Singapore	6310	Singapore	7720
Benin	6198	Angola	5509
Angola	5467	France	4811
Mauritius	5,242	Russia	4640
Total for Others	202923		199366
Others not Listed	61805		6,702
Grand Total	264728		268068

WTA

FRESH PEARS

Exports for 2005 and 2006 are indicated in the table below:

South Africa, Republic of Pears, Fresh			
Time Period	Jan-Dec	Units:	MT
Exports for:	2005		2006
U.S.	341	U.S.	877
Others		Others	
Netherlands	31,310	U.K.	24,125
U.K.	29,984	Netherlands	23,953
Belgium	23,783	Belgium	14,677
France	8,507	Russia	7,924
Germany	8,306	Germany	7,598
Malaysia	5,592	France	4,374
Russia	4,331	Malaysia	4,116
Canada	3,740	U.A.Emirates	3,135
Italy	3,417	Singapore	3,066
Hong Kong	2,635	Italy	2,725
Total for Others	121605		95693
Others not Listed	21,263		28,430
Grand Total	143209		125000

Source: WTA, DFPT

TABLE GRAPES

South Africa, Republic of Grapes, Table, Fresh			
Time Period	Jan-Dec	Units:	MT
Exports for:	2006		2007
U.S.	1728	U.S.	393
Others		Others	
N. Europe	136637	N. Europe	124243
U.K.	57795	U.K.	58740
Far East	7484	M.East	9777
M.East	7262	Far East	9727
Asia	5356	Asia	7933
S. Europe	4861	S.Europe	5002
Russia	3588	Russia	2550
Canada	3089	Canada	2099
W. Africa	1539	W.Africa	1462
Indian Ocean Island	1201	Indian Ocean Island	1377
Total for Others	228812		222910
Others not Listed	356		6697
Grand Total	230896		230,000

SATI

Policy

Agricultural policies that are expected to impact the fruit industry in 2006/7 are: AgriBEE; tollgates in the Western Cape, Fuel levy in the Western Cape; agricultural land tax; minimum wages; and water issues in the Berg River.

Chemical Maximum Residue Limits (MRL) Deciduous

The final update of the industry's 2007 MRL guideline was released in October 2006 and can be viewed at: <http://www.deciduous.co.za>

Fresh Produce Traceability & Related Requirements (deciduous)

The industry is drafting a framework for requirements on minimum traceability for different markets, fruit types, and supply chains. The standard operating procedures, and those for export certification, will be reviewed and implemented during this season.

EurepGap

The South African fruit industry is working with the EU and Southern Hemisphere counterparts to establish a realistic approach to global harmonization for good agricultural practices (GAP) for fruit and vegetables.

The draft EurepGAP Revision 2007 standards released for review towards the end of last year, was expected to be implemented by March 2007, and obligatory certification from 1 January 2008. It focuses on IPM: laboratory/MRL: Produce Handling (Hygiene), audit frequency/sanctions, worker health, safety & welfare, system integrity. It is subdivided into three modules, namely: All Farm Base module, Crop Base module, and the Fruit & Vegetable module. For more information, please visit the EurepGAP link at: <http://www.deciduous.co.za>

Foodsafety on imports

South Africa's Domestic and Import Food Safety Control is regulated by the Department of Health, and requirements are more similar to the Department of Agriculture's regulation on exports.

The industry restrictions as at October 2006, on the use of plant protection products on local and export deciduous fruit for 2006/7 can be accessed at: <http://www.dfpt.co.za>

The restrictions are the industry guide to ensure compliance with maximum chemical residue tolerances in South Africa's deciduous fruit export destination countries, and in the local markets.

Restrictions are reviewed and amended annually, according to Act 36 of 1947 and good GAP, and are developed in association with the local and export regulatory bodies, primary export markets and agrochemical companies.

Fruit South Africa has recently released a revised Fruit Industry Plan that recommends a long-term strategy for the fruit industry encompassing all current government regulations, and can be accessed at : <Http://www.fip.co.za>

Other regulations, GAP and HACCP, can be accessed at : www.deciduous.co.za
And at: www.nda.agric.za

Marketing

The marketing season starts with higher prices that decrease towards the peak period, before increasing again by the end of the season. The regions producing early varieties are the Northern Province and Orange River areas, and will likely be more profitable compared to others.

For more information, visit: <http://satgi.co.za>

Marketing Subcategory

South Africa's gross income for the deciduous and other related fruit increased 8.4% to reach US \$0.72 million for a period from October 2005 to September 2006. Net export revenue reached US\$ 575.40/MT for apples, US\$ 603.58 for pears, and U.S.\$ 852.25/MT in 2004/5 (DoA).

TARIFFS

South Africa's 2007 import tariffs for deciduous fruit per commodity are specified in the table below:

Import Tariffs		
COMMODITY	HTS CODE	AD VALOREM
Table grapes	080610	5%/kg
Fresh Apples	080810	5%/kg
Fresh Pears	080820	5%/kg

Source: Jacobsen Book of Tariffs

DEFINITIONS OF TERMS USED IN THE REPORT

MY = marketing year

CY = Calendar year

DoA = National Department of Agriculture